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DEPARTMENT OF COMMERCE

Bureau of Industry and Security

15 CFR Parts 744 and 746

[Docket No. 1408114668-4758-01]

RIN 0694–AG28

**Russian Sanctions: Addition of Persons to the Entity List and Restrictions on
Certain Military End Uses and Military End Users**

AGENCY: Bureau of Industry and Security, Commerce.

ACTION: Final rule.

SUMMARY: This final rule amends the Export Administration Regulations (EAR) to impose additional sanctions implementing U.S. policy toward Russia. Specifically, in

this rule, the Bureau of Industry and Security (BIS) amends the EAR by adding ten entries to the Entity List. The persons who are added to the Entity List have been determined by the U.S. Government to be acting contrary to the national security or foreign policy interests of the United States. These persons will be listed on the Entity List under the destination of Russia. BIS is also amending the EAR to impose license requirements for items destined to Russia when those items are intended for a military end use or military end user.

DATES: *Effective date:* This rule is effective [INSERT DATE OF PUBLICATION IN FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: For the Entity List-related changes contact the Chair, End-User Review Committee, Office of the Assistant Secretary, Export Administration, Bureau of Industry and Security, Department of Commerce, Phone: (202) 482-5991, Fax: (202) 482-3911, E-mail: ERC@bis.doc.gov.

For the changes for Restrictions on Certain Military End Uses and Military End Users, contact Eileen Albanese, Director, Office of National Security and Technology Transfer Controls, Bureau of Industry and Security, Department of Commerce, Phone: (202) 482-0092, Fax: (202) 482-482-3355, E-mail: rpd2@bis.doc.gov. For emails, include “Russia” in the subject line.

SUPPLEMENTARY INFORMATION:

Background

This final rule amends the Export Administration Regulations (EAR) to impose additional sanctions implementing U.S. policy toward Russia. Specifically, in this rule the Bureau of Industry and Security (BIS) amends the EAR by adding ten persons to the Entity List. The persons who are added to the Entity List have been determined by the U.S. Government to be acting contrary to the national security or foreign policy interests of the United States. These persons will be listed on the Entity List under the destination of Russia. BIS is also amending the EAR to impose license requirements for items destined to Russia when those items are intended for a military end use or military end user.

Entity List

The Entity List (Supplement No. 4 to Part 744) notifies the public about entities that have engaged in activities that could result in an increased risk of the diversion of exported, reexported or transferred (in-country) items to weapons of mass destruction (WMD) programs, activities sanctioned by the State Department and activities contrary to U.S. national security or foreign policy interests. Certain exports, reexports, and transfers (in-country) to entities identified on the Entity List require licenses from BIS and are usually subject to a policy of denial. The availability of license exceptions in such transactions is very limited. The license review policy for each entity is identified in the

license review policy column on the Entity List and the availability of license exceptions is noted in the Federal Register notices adding persons to the Entity List. BIS places entities on the Entity List based on certain sections of part 744 (Control Policy: End-User and End-Use Based) of the EAR.

The End-User Review Committee (ERC), composed of representatives of the Departments of Commerce (Chair), State, Defense, Energy and, where appropriate, the Treasury, makes all decisions regarding additions to, removals from, or other modifications to the Entity List. The ERC makes all decisions to add an entry to the Entity List by majority vote and all decisions to remove or modify an entry by unanimous vote. The Departments represented on the ERC approved these changes to the Entity List.

Addition to the Entity List in this rule

This rule adds ten persons to the Entity List on the basis of § 744.11 (License requirements that apply to entities acting contrary to the national security or foreign policy interests of the United States) of the EAR. Under § 744.11(b) (Criteria for revising the Entity List), persons for whom there is reasonable cause to believe, based on specific and articulable facts, have been involved, are involved, or pose a significant risk of being or becoming involved in, activities that are contrary to the national security or foreign policy interests of the United States and those acting on behalf of such persons may be added to the Entity List. The persons being added to the Entity List have been determined to be involved in activities that are contrary to the national security or foreign policy interests of the United States.

Entity Additions Consistent With Executive Order 13661

Five entities are added based on activities that are described in Executive Order 13661 (79 FR 15533), *Blocking Property of Additional Persons Contributing to the Situation in Ukraine*, issued by the President on March 16, 2014. This Order expanded the scope of the national emergency declared in Executive Order 13660, finding that the actions and policies of the Government of the Russian Federation with respect to Ukraine – including the deployment of Russian Federation military forces in Crimea (Occupied) – undermine democratic processes and institutions in Ukraine; threaten its peace, security, stability, sovereignty, and territorial integrity; and contribute to the misappropriation of its assets, and thereby constitute an unusual and extraordinary threat to the national security and foreign policy of the United States.

Specifically, Executive Order 13661 includes a directive that all property and interests in property that are in the United States, that hereafter come within the United States, or that are or thereafter come within the possession or control of any United States person (including any foreign branch) of the following persons are blocked and may not be transferred, paid, exported, withdrawn, or otherwise dealt in: persons determined by the Secretary of the Treasury to be operating in the defense or related materiel sector in the Russian Federation. Under Section 8 of the Order, all agencies of the United States Government are directed to take all appropriate measures within their authority to carry out the provisions of the Order. The Department of the Treasury's Office of Foreign Assets Control, pursuant to Executive Order 13661 and on behalf of the Secretary of the Treasury, has designated the following five persons as operating in the defense or related

materiel sector of the Russian Federation: Almaz-Antey Air Defense Concern Main System Design Bureau, JSC; Tikhomirov Scientific Research Institute of Instrument Design, JSC; Kalinin Machine Plant, JSC; Mytishchinski Mashinostroitelny Zavod, OAO; and Dolgoprudny Research Production Enterprise, OAO.

In conjunction with those designations, the Department of Commerce adds the five persons to the Entity List under this rule and imposes a license requirement for exports, reexports, or transfers (in-country) for all items subject to the EAR to those persons. This license requirement implements an appropriate measure within the authority of BIS to carry out the provisions of Executive Order 13661. Almaz-Antey Air Defense Concern Main System Design Bureau, JSC is one of the world's largest defense industry complexes, specializing in development of anti-air, anti-missile and space defense systems. Tikhomirov Scientific Research Institute of Instrument Design, JSC specializes in the development of weaponry control systems for fighter planes and mobile medium range anti-aircraft surface to air missile (SAM) defense vehicles. Kalinin Machine Plant, JSC designs and manufactures machines for military and civil applications. Mytishchinski Mashinostroitelny Zavod, OAO manufactures and supplies ordnance and accessories, including naval, aircraft, anti-aircraft and field artillery products. Dolgoprudny Research Production Enterprise, OAO develops and manufactures high-technology defense products. Therefore, pursuant to § 744.11 of the EAR, the conduct of these five persons raises sufficient concern that prior review of exports, reexports, or transfers (in-country) of items subject to the EAR involving these five persons, and the possible imposition of license conditions or license denials on

shipments to these persons, will enhance BIS's ability to protect the foreign policy and national security interests of the United States. License applications for exports, reexports and transfers (in-country) to these persons will be reviewed with a presumption of denial.

Entity Additions Consistent With Executive Order 13662

In addition, five entities are added based on activities that are described in Executive Order 13662 (79 FR 16169), *Blocking Property of Additional Persons Contributing to the Situation in Ukraine*, issued by the President on March 20, 2014. This Order expanded the scope of the national emergency declared in Executive Order 13660 of March 6, 2014 and Executive Order 13661 of March 16, 2014. Specifically, EO 13662 expanded the scope to include sectors of the Russian Federation economy as may be determined by the Secretary of the Treasury, in consultation with the Secretary of State, such as financial services, energy, metals and mining, engineering, and defense and related materiel.

The Department of the Treasury's Office of Foreign Assets Control, pursuant to Executive Order 13662 and on behalf of the Secretary of the Treasury, has designated the following five persons as operating in the energy sector of the Russian Federation.

Gazprom, OAO has major business lines in geological exploration, production, transportation, storage, processing and sales of gas, gas condensate and oil, sales of gas as a vehicle fuel as well as generation and marketing of heat and electric power.

Gazpromneft is a Russian oil company engaged primarily in oil and gas exploration and

production, the sale and distribution of crude oil, and the production and sale of petroleum products. Lukoil, OAO is a company in Russia's petroleum industry. Rosneft is a company in Russia's petroleum industry whose activities include hydrocarbon exploration and production, upstream offshore projects, hydrocarbon refining, and crude oil, gas and product marketing in Russia and abroad. Surgutneftegas is a Russian oil and gas company.

Therefore, BIS adds the following five Russian energy entities to the Entity List to impose a license requirement for the export, reexport or transfers (in-country) of all items subject to the EAR to those companies when the exporter, reexporter or transferor knows that the item will be used directly or indirectly in exploration for, or production of, oil or gas in Russian deepwater (greater than 500 feet) or Arctic offshore locations or shale formations in Russia, or are unable to determine whether the item will be used in such projects. License applications for such transactions will be reviewed with a presumption of denial when for use directly or indirectly for exploration or production from deepwater (greater than 500 feet), Arctic offshore, or shale projects in Russia that have the potential to produce oil. This license requirement implements an appropriate measure within the authority of BIS to carry out the provisions of Executive Order 13662.

The license requirements for all ten persons added to the Entity List apply to any transaction in which items are to be exported, reexported, or transferred (in-country) to any of the persons or in which such persons act as purchaser, intermediate consignee, ultimate consignee, or end-user. In addition, no license exceptions are available for

exports, reexports, or transfers (in-country) to the persons being added to the Entity List in this rule.

This final rule adds the following ten persons to the Entity List:

Russia

1. Almaz-Antey Air Defense Concern Main System Design Bureau, JSC (a.k.a., A.A. Raspletin Main System Design Bureau; a.k.a. Almaz-Antey GSKB; a.k.a. Almaz-Antey GSKB Imeni Academician A.A. Raspletin; a.k.a. Almaz-Antey MSDB; a.k.a. Almaz-Antey PVO 'Air Defense' Concern Lead Systems Design Bureau OAO 'Open Joint-Stock Company' Imeni Academician A.A. Raspletin; a.k.a. Golovnoye Sistemnoye Konstruktorskoye Byuro Open Joint-Stock Company of Almaz-Antey PVO Concern Imeni Academician A.A. Raspletin; a.k.a. Joint Stock Company Almaz-Antey Air Defense Concern Main System Design Bureau, Named by Academician A.A. Raspletin; a.k.a. Joint Stock Company Almaz-Antey Air Defense Concern Main System Design Bureau; a.k.a. Almaz-Antey; a.k.a. JSC 'Almaz-Antey' MSDB, f.k.a., Otkrytoe Aktsionernoe Obshchestvo Nauchno Proizvodstvennoe Obedinenie Almaz Imeni Akademika A.A. Raspletina; a.k.a. GSKB)

Address: 16-80, Leningradsky Prospect, Moscow 125190, Russia;

2. Dolgoprudny Research Production Enterprise, OAO, (a.k.a. olgoprudnenskoye NPP OAO; a.k.a. Dolgoprudny; a.k.a. -Dolgoprudny Research Production Enterprise; a.k.a. Otkrytoe Aktsionernoe Obshchestvo Doigoprudnenskoe Nauchno Proizvodstvennoe Predpriyatie; a.k.a. OAO 'Dolgoprudny Research Production Enterprise')

Address: 1 Pl. Sobina, Dolgoprudny, Moskovskaya obl. 141700, Russia

Alt Address: Proshchad Sobina 1, Dolgoprudny 141700, Russia;

* 3. Gazprom, OAO (a.k.a. Open Joint Stock Company Gazprom; a.k.a. OAO Gazprom; a.k.a. Gazprom)

Address: 16 Nametkina St., Moscow, Russia GSP-7, 117997, Russia

Alt Address: 16 Nametkina ul., Moscow 117991, Russia;

* 4. Gazprom Neft (a.k.a. Gazprom Neft OAO; a.k.a. JSC Gazprom Neft; a.k.a. Open Joint-Stock Company Gazprom Neft; f.k.a. Sibirskaya Neftyanaya Kompaniya OAO)

Address: Let. A. Galernaya, 5, ul, St. Petersburg 190000, Russia;

Alt Address: Ul. Pochtamtskaya, 3-5, St. Petersburg 190000, Russia;

Alt Address: 3-5 Pochtamtskaya St., St. Petersburg 190000, Russia; and

Alt Address: 125 A. Profsoyuznaya Street, Moscow 117647, Russia;

5. Kalinin Machine Plant, JSC, a.k.a., Kalinin Machine-Building Plant Open Joint-Stock Company; a.k.a. Kalinin Machinery Plant-BRD; a.k.a. Mashinostroitel'NYI Zavod IM. M.I. Kalinina, G. Yekaterinburg OAO; a.k.a. Mzik OAO; a.k.a. Open-End Joint-Stock Company 'Kalinin Machinery Plant. YEKATERINBURG'; a.k.a. Otkrytoe Aktsionernoe Obshchestvo Mashinostroitelny Zavod IM.M.I.Kalinina, G.Ekaterinburg)

Address: 18 prospekt Kosmonavtov, Ekaterinburg 620017, Sverdlovskaya obl., Russia;

* 6. Lukoil, OAO (a.k.a. Lukoil; a.k.a. Lukoil Oil Company; a.k.a. Neftyanaya Kompaniya Lukoil OOO; a.k.a. NK Lukoil OAO)

Address: 11 Sretenski boulevard, Moscow 101000, Russia;

7. Mytishchinski Mashinostroitelny Zavod, OAO, (a.k.a., JSC Mytishchinski Machine-Building Plant; *a.k.a.* Otkrytoe Aktsionernoe Obshchestvo ‘Mytishchinski Mashinostroitelny ZAVOD’)

Address: 4 ul. Kolontsova Mytishchi, Mytishchinski Raion, Moskovskayaobl 141009, Russia;

Alt. Address: UL Koloncova, d.4, Mytishi, Moscow region 141009, Russia;

* 8. Rosneft (a.k.a. Open Joint-Stock Company Rosneft Oil Company; a.k.a. OAO Rosneft Oil Company; a.k.a. Oil Company Rosneft; a.k.a. OJSC Rosneft Oil Company; a.k.a. Rosneft Oil Company)

Address: 26/1, Sofiyskaya Embankment, 117997, Moscow, Russia;

* 9. Surgutneftegas (a.k.a. Open Joint Stock Company Surgutneftegas; a.k.a. Otkrytoe Aktsionernoe Obshchestvo Surgutneftegaz; a.k.a. Surgutneftegas OAO; a.k.a. Surgutneftegas OJSC; a.k.a. Surgutneftegaz OAO)

Address: ul. Grigoriya Kukuyevitskogo, 1, bld. 1, Khanty-Mansiysky Autonomous Okrug - Yugra, the city of Surgut, Tyumenskaya Oblast 628415, Russia;

Alt Address: korp. 1 1 Grigoriya Kukuevitskogo ul., Surgut, Tyumenskaya oblast 628404, Russia;

Alt Address: Street Kukuevitskogo 1, Surgut, Tyumen Region 628415, Russia;

10. Tikhomirov Scientific Research Institute of Instrument Design, JSC (a.k.a., JSC NIIP, f.k.a., Otkrytoe Aktsionernoe Obshchestvo Nauchno Issledovatel'ski Institut Priborostroeniya Imeni V.V. Tikhomirova; a.k.a. Scientific Research Institute of Instrument Design; a.k.a. JSC V. Tikhomirov Scientific Research Institute of Instrument Design.)

Address: 3 Ul. Gagarina, Zhukovski, Moskovskaya Obl 140180, Russia;

Alt. Address: Gagarin Str, 3, Zhukovsky 140180, Russia.

Military End-Use Restriction

It is the policy of the United States Government to facilitate U.S. exports for civilian end uses, while preventing exports that would enhance the military capability of certain destinations, thereby threatening the national security and foreign policy of the United States and its allies. In furtherance of this policy, BIS established a license requirement for certain items intended for “military end uses” in a final rule published June 19, 2007 (72 FR 33646). Specifically, that final rule established a control, based on knowledge of a “military end use,” on exports and reexports of certain items on the Commerce Control List (CCL) that otherwise would not require a license to a specified destination. The “military end use” control initially applied to certain items exported, reexported or transferred (in country) to the People’s Republic of China.

*“Military End Use” and “Military End User” License Requirements for Certain Items
Destined for Russia*

In this rule, BIS amends § 744.21 of the EAR to apply “military end use” and “military end user” license requirements to Russia. Specifically, BIS amends § 744.21 by adding “or Russia” after “People’s Republic of China” and “PRC”, wherever those names appear, including in the heading of the section. Items subject to these license requirements are those listed in Supplement No. 2 to Part 744. This final rule also adds a paragraph (g) to define the term “military end user” for purposes of § 744.21. The definition of “military end user” this rule adds to § 744.21 is the same definition of “military end user” that is defined in § 744.17 of the EAR.

Foreign Policy Report

The extension of the military end use controls to Russia in this rule is the imposition of a foreign policy control. Section 6(f) of the Export Administration Act requires that a report be delivered to Congress before imposing such controls. The report was delivered to Congress on September 12, 2014.

Export Administration Act

Although the Export Administration Act expired on August 20, 2001, the President, through Executive Order 13222 of August 17, 2001, 3 CFR, 2001 Comp., p. 783 (2002), as amended by Executive Order 13637 of March 8, 2013, 78 FR 16129 (March 13, 2013) and as extended by the Notice of August 7, 2014, 79 FR 46959 (August 11, 2014), has continued the Export Administration Regulations in effect under the

International Emergency Economic Powers Act. BIS continues to carry out the provisions of the Export Administration Act, as appropriate and to the extent permitted by law, pursuant to Executive Order 13222 as amended by Executive Order 13637.

Rulemaking Requirements

1. Executive Orders 13563 and 12866 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). Executive Order 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This rule has been determined to be not significant for purposes of Executive Order 12866.

2. Notwithstanding any other provision of law, no person is required to respond to nor be subject to a penalty for failure to comply with a collection of information, subject to the requirements of the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.) (PRA), unless that collection of information displays a currently valid Office of Management and Budget (OMB) Control Number. This regulation involves collections previously approved by OMB under control number 0694–0088, Simplified Network Application Processing System, which includes, among other things, license applications and carries a burden estimate of 43.8 minutes for a manual or electronic submission.

Total burden hours associated with the PRA and OMB control number 0694–0088 are not expected to significantly increase as a result of this rule. You may send comments

regarding the collection of information associated with this rule, including suggestions for reducing the burden, to Jasmeet K. Seehra, Office of Management and Budget (OMB), by e-mail to Jasmeet_K._Seehra@omb.eop.gov, or by fax to (202) 395-7285.

3. This rule does not contain policies with Federalism implications as that term is defined in Executive Order 13132.

4. The provisions of the Administrative Procedure Act (5 U.S.C. 553) requiring notice of proposed rulemaking, the opportunity for public comment and a delay in effective date are inapplicable because this regulation involves a military or foreign affairs function of the United States. (*See* 5 U.S.C. 553(a)(1)). BIS implements this rule to advance U.S. policy toward Russia and therefore protect U.S. national security or foreign policy interests by preventing items from being exported, reexported, or transferred (in country) to the persons being added to the Entity List and items intended for certain end uses. If this rule were delayed to allow for notice and comment and a delay in effective date, then entities being added to the Entity List by this action would continue to be able to receive items without a license and to conduct activities contrary to the national security or foreign policy interests of the United States. In addition, publishing a proposed rule would give these parties notice of the U.S. Government's intention to place them on the Entity List and would create an incentive for these persons to either accelerate receiving items subject to the EAR to conduct activities that are contrary to the national security or foreign policy interests of the United States, and/or to take steps to set up additional aliases, change addresses, and other measures to try to limit the impact of the listing on

the Entity List once a final rule was published. BIS also implements this rule to protect U.S. national security or foreign policy objectives from being undermined by immediately restricting the export, reexport or transfer (in-country) of certain items to Russia for military end uses. Further, no other law requires that a notice of proposed rulemaking and an opportunity for public comment be given for this rule. Because a notice of proposed rulemaking and an opportunity for public comment are not required to be given for this rule by 5 U.S.C. 553, or by any other law, the analytical requirements of the Regulatory Flexibility Act, 5 U.S.C. 601 *et seq.*, are not applicable. Accordingly, no regulatory flexibility analysis is required and none has been prepared.

List of Subjects

15 CFR Part 744

Exports, Reporting and recordkeeping requirements, Terrorism.

15 CFR Part 746

Exports, Reporting and recordkeeping requirements.

Accordingly, parts 744 and 746 of the Export Administration Regulations (15 CFR parts 730–774) are amended as follows:

PART 744—[AMENDED]

1. The authority citation for 15 CFR part 744 continues to read as follows:

Authority: 50 U.S.C. app. 2401 *et seq.*; 50 U.S.C. 1701 *et seq.*; 22 U.S.C. 3201 *et seq.*; 42 U.S.C. 2139a; 22 U.S.C. 7201 *et seq.*; 22 U.S.C. 7210; E.O. 12058, 43 FR 20947, 3 CFR, 1978 Comp., p. 179; E.O. 12851, 58 FR 33181, 3 CFR, 1993 Comp., p. 608; E.O. 12938, 59 FR 59099, 3 CFR, 1994 Comp., p. 950; E.O. 12947, 60 FR 5079, 3 CFR, 1995 Comp., p. 356; E.O. 13026, 61 FR 58767, 3 CFR, 1996 Comp., p. 228; E.O. 13099, 63 FR 45167, 3 CFR, 1998 Comp., p. 208; E.O. 13222, 66 FR 44025, 3 CFR, 2001 Comp., p. 783; E.O. 13224, 66 FR 49079, 3 CFR, 2001 Comp., p. 786; Notice of August 7, 2014, 79 FR 46959 (August 11, 2014); Notice of September 18, 2013, 78 FR 58151 (September 20, 2013); Notice of November 7, 2013, 78 FR 67289 (November 12, 2013); Notice of January 21, 2014, 79 FR 3721 (January 22, 2014).

2. Section 744.21 is revised to read as follows:

§ 744.21 Restrictions on Certain ‘Military end uses’ in the People’s Republic of China (PRC) or for a ‘Military end use’ or ‘Military end user’ in Russia.

(a)(1) *General prohibition.* In addition to the license requirements for items specified on the Commerce Control List (CCL), you may not export, reexport, or transfer (in-country) any item subject to the EAR listed in Supplement No. 2 to Part 744 to the PRC or Russia without a license if, at the time of the export, reexport, or transfer (in-country), either:

(i) You have “knowledge,” as defined in §772.1 of the EAR, that the item is intended, entirely or in part, for a ‘military end use,’ as defined in paragraph (f) of this section, in the PRC or for a ‘military end use’ or ‘military end user’ in Russia; or

(ii) You have been informed by BIS, as described in paragraph (b) of this section, that the item is or may be intended, entirely or in part, for a ‘military end use’ in the PRC or for a ‘military end use’ or ‘military end-user’ in Russia.

(2) *General prohibition.* In addition to the license requirements for 9x515 and “600 series” items specified on the Commerce Control List (CCL), you may not export, reexport, or transfer (in-country) any 9x515 or “600 series” item, including items described in a .y paragraph of a 9x515 or “600 series” ECCN, to the PRC or Russia without a license.

(b) *Additional prohibition on those informed by BIS.* BIS may inform you either individually by specific notice, through amendment to the EAR published in the Federal Register, or through a separate notice published in the Federal Register, that a license is required for specific exports, reexports, or transfers (in-country) of any item because there is an unacceptable risk of use in or diversion to ‘military end use’ activities in the PRC or for a ‘military end use’ or ‘military end user’ in Russia. Specific notice will be given only by, or at the direction of, the Deputy Assistant Secretary for Export Administration. When such notice is provided orally, it will be followed by written notice within two working days signed by the Deputy Assistant Secretary for Export

Administration or the Deputy Assistant Secretary's designee. The absence of BIS notification does not excuse the exporter from compliance with the license requirements of paragraph (a) of this section.

(c) *License exception.* Despite the prohibitions described in paragraphs (a) and (b) of this section, you may export, reexport, or transfer (in-country) items subject to the EAR under the provisions of License Exception GOV set forth in §740.11(b)(2)(i) and (ii) of the EAR.

(d) *License application procedure.* When submitting a license application pursuant to this section, you must state in the “additional information” block of the application that “this application is submitted because of the license requirement in § 744.21 of the EAR (Restrictions on Certain Military End Uses in the People's Republic of China or for a ‘Military End Use’ or ‘Military End User’ in Russia).” In addition, either in the additional information block of the application or in an attachment to the application, you must include for the PRC all known information concerning the military end use of the item(s) and for Russia, all known information concerning the ‘military end use’ and ‘military end users’ of the item(s). If you submit an attachment with your license application, you must reference the attachment in the “additional information” block of the application.

(e) *License review standards.* (1) Applications to export, reexport, or transfer items described in paragraph (a) of this section will be reviewed on a case-by-case basis to

determine whether the export, reexport, or transfer would make a material contribution to the military capabilities of the PRC or Russia, and would result in advancing the country's military activities contrary to the national security interests of the United States. When it is determined that an export, reexport, or transfer would make such a contribution, the license will be denied.

(2) Applications may be reviewed under chemical and biological weapons, nuclear nonproliferation, or missile technology review policies, as set forth in §§ 742.2(b)(4), 742.3(b)(4) and 742.5(b)(4) of the EAR, if the end use may involve certain proliferation activities.

(3) Applications for items requiring a license for other reasons that are destined to the PRC for a ‘military end use’ or that are destined to Russia for a ‘military end use’ or ‘military end user’ also will be subject to the review policy stated in paragraph (e)(1) of this section.

(f) *Military end use.* In this section, ‘military end use’ means: incorporation into a military item described on the U.S. Munitions List (USML) (22 CFR part 121, International Traffic in Arms Regulations); incorporation into a military item described on the Wassenaar Arrangement Munitions List (as set out on the Wassenaar Arrangement Web site at <http://www.wassenaar.org>); incorporation into items classified under ECCNs ending in “A018” or under “600 series” ECCNs; or for the “use,” “development,” or “production” of military items described on the USML or the Wassenaar Arrangement

Munitions List, or items classified under ECCNs ending in “A018” or under “600 series” ECCNs.

NOTE TO PARAGRAPH (f) OF THIS SECTION: *As defined in Part 772 of the EAR, “use” means operation, installation (including on-site installation), maintenance (checking), repair, overhaul and refurbishing; “development” is related to all stages prior to serial production, such as: design, design research, design analyses, design concepts, assembly and testing of prototypes, pilot production schemes, design data, process of transforming design data into a product, configuration design, integration design, layouts; and “production” means all production stages, such as: product engineering, manufacturing, integration, assembly (mounting), inspection, testing, quality assurance.*

For purposes of this section, “operation” means to cause to function as intended; “installation” means to make ready for use, and includes connecting, integrating, incorporating, loading software, and testing; “maintenance” means performing work to bring an item to its original or designed capacity and efficiency for its intended purpose, and includes testing, measuring, adjusting, inspecting, replacing parts, restoring, calibrating, overhauling; and “deployment” means placing in battle formation or appropriate strategic position.

(g) *Military end user.* In this section, the term ‘military end user’ means the national armed services (army, navy, marine, air force, or coast guard), as well as the national guard and national police, government intelligence or reconnaissance organizations, or

any person or entity whose actions or functions are intended to support ‘military end uses’ as defined in paragraph (f) of this section.

3. Supplement No. 4 to part 744 is amended by adding under Russia, in alphabetical order, ten Russian entities.

The additions read as follows:

Supplement No. 4 to Part 744 - Entity List

Country	Entity	License requirement	License review policy	Federal Register citation

RUSSIA	*****			
	Almaz-Antey Air Defense Concern Main System Design Bureau, JSC (a.k.a., A.A. Raspletin Main System Design Bureau; a.k.a. Almaz-Antey GSKB; a.k.a. Almaz-Antey GSKB Imeni Academician A.A. Raspletin; a.k.a. Almaz-Antey	For all items subject to the EAR. (See §744.11 of the EAR).	Presumption of denial.	79 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].

	MSDB; a.k.a. Almaz-Antey PVO ‘Air Defense’ Concern Lead Systems Design Bureau OAO ‘Open Joint-Stock Company’ Imeni Academician A.A. Raspletin; a.k.a. Golovnoye Sistemnoye Konstruktorskoye Byuro Open Joint- Stock Company of Almaz-Antey PVO Concern Imeni Academician A.A. Raspletin; a.k.a. Joint Stock Company Almaz- Antey Air Defense Concern Main System Design Bureau, Named by Academician A.A. Raspletin; a.k.a. Joint Stock Company Almaz- Antey Air Defense Concern Main System Design Bureau; a.k.a. Almaz-Antey; a.k.a. JSC ‘Almaz- Antey’ MSDB, f.k.a., Otkrytoe Aktsionernoe Obshchestvo Nauchno Proizvodstvennoe Obedinenie Almaz Imeni Akademika A.A. Raspletina; a.k.a. GSKB)			
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	Address: 16-80, Leningradsky Prospect, Moscow 125190, Russia			

	Dolgoprudny Research Production Enterprise, OAO (a.k.a. olgoprudnskoye NPP OAO; a.k.a. Dolgoprudny; a.k.a. Dolgoprudny Research Production Enterprise; a.k.a. Otkrytoe Aktsionernoe Obshchestvo Doigoprudnskoe Nauchno Proizvodstvennoe Predpriyatie; a.k.a. OAO 'Dolgoprudny Research Production Enterprise') Address: 1 Pl. Sobina, Dolgoprudny, Moskovskaya obl. 141700 , Russia Alt Address: Proshchad Sobina 1, Dolgoprudny 141700, Russia	For all items subject to the EAR. (See §744.11 of the EAR).	Presumption of denial.	79 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATIO N IN THE FEDERAL REGISTER].

	Gazprom, OAO (a.k.a. Open Joint Stock Company Gazprom; a.k.a.	For all items subject to the EAR when	See § 746.5(b) of the EAR.	79 FR [INSERT FR PAGE

	<p> OAO Gazprom; a.k.a. Gazprom) </p> <p> Address: 16 Nametkina St., Moscow, Russia GSP-7, 117997, Russia </p> <p> Alt Address: 16 Nametkina ul., Moscow 117991, Russia </p>	<p> used in projects specified in § 746.5 of the EAR. </p>		<p> NUMBER AND DATE OF PUBLICATIO N IN THE FEDERAL REGISTER]. </p>
	<p> Gazprom Neft (a.k.a. Gazprom Neft OAO; a.k.a. JSC Gazprom Neft; a.k.a. Open Joint-Stock Company Gazprom Neft; f.k.a. Sibirskaya Neftyanaya Kompaniya OAO) </p> <p> Address: Let. A. Galernaya, 5, ul, St. Petersburg 190000, Russia </p> <p> Alt Address: Ul. Pochtamtskaya, 3- 5, St. Petersburg 190000, Russia </p> <p> Alt Address: 3-5 Pochtamtskaya St., St. Petersburg 190000, Russia </p> <p> Alt Address: 125 A. Profsoyuznaya Street, Moscow 117647, Russia </p>	<p> For all items subject to the EAR when used in projects specified in § 746.5 of the EAR. </p>	<p> See § 746.5(b) of the EAR. </p>	<p> 79 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATIO N IN THE FEDERAL REGISTER]. </p>

	<p>Kalinin Machine Plant, JSC (a.k.a., Kalinin Machine-Building Plant Open Joint-Stock Company; a.k.a. Kalinin Machinery Plant-BRD; a.k.a. Mashinostroitel'N YI Zavod IM. M.I. Kalinina, G. Yekaterinburg OAO; a.k.a. Mzik OAO; a.k.a. Open-End Joint-Stock Company 'Kalinin Machinery Plant. YEKATERINBURG'; a.k.a. Otkrytoe Aktsionernoe Obshchestvo Mashinostroitelny Zavod IM.M.I.Kalinina, G.Ekaterinburg)</p> <p>Address: 18 prospekt Kosmonavtov, Ekaterinburg 620017, Sverdlovskaya obl., Russia</p>	For all items subject to the EAR. (See §744.11 of the EAR).	Presumption of denial.	79 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].

	<p>Lukoil, OAO (a.k.a. Lukoil; a.k.a. Lukoil Oil Company; a.k.a. Neftyanaya Kompaniya Lukoil OOO; a.k.a. NK Lukoil OAO),</p> <p>Address:</p>	For all items subject to the EAR when used in projects specified in § 746.5 of the EAR.	See § 746.5(b) of the EAR.	79 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].

	11 Sretenski boulevard, Moscow 101000, Russia			

	Mytishchinski Mashinostroitelny Zavod, OAO (a.k.a., JSC Mytishchinski Machine-Building Plant; a.k.a. Otkrytoe Aktsionernoe Obshchestvo 'Mytishchinski Mashinostroitelny ZAVOD')	For all items subject to the EAR. (See §744.11 of the EAR).	Presumption of denial.	79 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATIO N IN THE FEDERAL REGISTER].
	Address: 4 ul. Kolontsova Mytishchi, Mytishchinski Raion, Moskovskayaobl 141009, Russia Alt. Address: UL Koloncova, d.4, Mytishi, Moscow region 141009, Russia			

	Rosneft (a.k.a. Open Joint-Stock Company Rosneft Oil Company; a.k.a. OAO Rosneft Oil Company; a.k.a. Oil Company Rosneft; a.k.a. OJSC Rosneft Oil Company; a.k.a. Rosneft Oil	For all items subject to the EAR when used in projects specified in § 746.5 of the EAR.	See § 746.5(b) of the EAR.	79 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATIO N IN THE FEDERAL REGISTER].

	Company) Address: 26/1, Sofiyskaya Embankment, 117997, Moscow, Russia			

	Surgutneftegas (a.k.a. Open Joint Stock Company Surgutneftegas; a.k.a. Otkrytoe Aktsionernoe Obshchestvo Surgutneftegaz; a.k.a. Surgutneftegas OAO; a.k.a. Surgutneftegas OJSC; a.k.a. Surgutneftegaz OAO) Address: ul. Grigoriya Kukuyevitskogo, 1, bld. 1, Khanty- Mansiysky Autonomous Okrug - Yugra, the city of Surgut, Tyumenskaya Oblast 628415, Russia; Alt Address: korp. 1 1 Grigoriya Kukuevitskogo ul., Surgut, Tyumenskaya oblast 628404, Russia;	For all items subject to the EAR when used in projects specified in § 746.5 of the EAR.	See § 746.5(b) of the EAR.	79 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATIO N IN THE FEDERAL REGISTER].

	Alt Address: Street Kukuevitskogo 1, Surgut, Tyumen Region 628415, Russia;			

	<p>Tikhomirov Scientific Research Institute of Instrument Design, JSC (a.k.a., JSC NIIP, f.k.a., Otkrytoe Aktsionernoe Obshchestvo Nauchno Issledovatel'ski Institute Priborostroeniya Imeni V.V. Tikhomirova; a.k.a. Scientific Research Institute of Instrument Design; a.k.a. JSC V. Tikhomirov Scientific Research Institute of Instrument Design.)</p> <p>Address: 3 Ul. Gagarina, Zhukovski, Moskovskaya Obl 140180, Russia Alt. Address: Gagarin Str, 3, Zhukovsky 140180, Russia</p>	For all items subject to the EAR. (See §744.11 of the EAR).	Presumption of denial.	79 FR [INSERT FR PAGE NUMBER AND DATE OF PUBLICATION IN THE FEDERAL REGISTER].

PART 746—[AMENDED]

4. The authority citation for 15 CFR part 746 continues to read as follows:

Authority: 50 U.S.C. app. 2401 et seq.; 50 U.S.C. 1701 et seq.; 22 U.S.C. 287c; Sec 1503, Pub. L. 108-11, 117 Stat. 559; 22 U.S.C. 6004; 22 U.S.C. 7201 et seq.; 22 U.S.C. 7210; E.O. 12854, 58 FR 36587, 3 CFR, 1993 Comp., p. 614; E.O. 12918, 59 FR 28205, 3 CFR, 1994 Comp., p. 899; E.O. 13222, 66 FR 44025, 3 CFR, 2001 Comp., p. 783; E.O. 13338, 69 FR 26751, 3 CFR, 2004 Comp., p 168; Presidential Determination 2003-23 of May 7, 2003, 68 FR 26459, May 16, 2003; Presidential Determination 2007-7 of December 7, 2006, 72 FR 1899 (January 16, 2007); Notice of May 7, 2014, 79 FR 26589 (May 9, 2014); Notice of August 7, 2014, 79 FR 46959 (August 11, 2014).

5. Section 746.5 is amended by revising paragraph (a)(1) to read as follows:

§ 746.5 Russian industry sector sanctions.

(a) *License requirements* — (1) *General prohibition.* As authorized by Section 6 of the Export Administration Act of 1979, a license is required to export, reexport or transfer (in-country) any item subject to the EAR listed in Supplement No. 2 to this part and items specified in ECCNs 0A998, 1C992, 3A229, 3A231, 3A232, 6A991, 8A992, and 8D999 when you know that the item will be used directly or indirectly in exploration for, or production of, oil or gas in Russian deepwater (greater than 500 feet) or Arctic offshore locations or shale formations in Russia, or are unable to determine whether the item will be used in such projects. Such items include, but are not limited to, drilling rigs, parts for horizontal drilling, drilling and completion equipment, subsea processing equipment, Arctic-capable marine equipment, wireline and down hole motors and

equipment, drill pipe and casing, software for hydraulic fracturing, high pressure pumps, seismic acquisition equipment, remotely operated vehicles, compressors, expanders, valves, and risers. You should be aware that other provisions of the EAR, including parts 742 and 744, also apply to exports and reexports to Russia. License applications submitted to BIS under this section may include the phrase “section 746.5” in Block 9 (Special Purpose) in Supplement No. 1 to part 748.

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Dated: September 12, 2014.

Eric L. Hirschhorn

Under Secretary of Commerce for Industry and Security

[FR Doc. 2014-22207 Filed 09/15/2014 at 11:15 am; Publication Date: 09/17/2014]